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Free

The Dickinson Robinson Group Ltd

Report and Accounts
1966

Report and Accounts 1966

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The Dickinson Robinson Group Ltd

Notice of Meeting

Notice is hereby given that the first Annual General Meeting of The Dickinson Robinson Group Limited will be held at the Connaught Rooms, Great Queen Street, London WC2 on Thursday 20th July 1967 at 12 noon

To receive and adopt the Directors' Report and the Accounts for the year ended 31st December 1966,

To elect directors,

To transact any other business of an Annual General Meeting.

By order of the Board

R P Thwaites

Secretary

1 Redcliffe Street, Bristol 1

28th June 1967.

Only holders of ordinary shares are entitled to attend and vote at the meeting, and any such holder is entitled to appoint a proxy to attend and vote on a poll instead of him. A proxy need not be a member. Forms of proxy, if used, must be lodged at the Registered Office of the Company at least 48 hours before the meeting.

This notice is sent to loan stockholders for information only, as such holders are not entitled to attend or vote at the meeting.

Directors

Chairman

John W Randall, CBE

Deputy Chairman

John F Robinson

Norman J C Barton

Gerald W G Brigg

John S Camm

Albert E Rayner

T Lloyd Robinson

Sidney T Tearle

Secretary and Registered Office

Richard P Thwaites, ACIS

1 Redcliffe Street, Bristol 1

Chief Accountant

Geoffrey Bar, FCA

Auditors

Price Waterhouse & Co., Bristol

Gane, Jackson, Nelson & Freeman, London

Solicitors

Allen & Overy, London

McKenna & Co., London

Bankers

National Provincial Bank Limited, Bristol

Coutts & Co., London

Trustees to $7\frac{3}{4}\%$ Unsecured Loan Stock 1986/91

The London Assurance, London

Subsidiary and Associated Companies

Subsidiary Companies

John Dickinson & Co. Limited

Paper and Board Division

Croxley Mills, Watford
Printing and writing papers

Nash Mills, Hemel Hempstead
Pulp boards

Tapes and Gummed Paper Division

Home Park Mills, Kings Langley
Gummed paper and tape, and self-adhesive tape

Envelope, Carrier Bag, Packaging and Label Division

Apsley Mills, Hemel Hempstead
Commercial envelopes, and paper and film bags for general packaging purposes

Northern Works, Kirkby, Liverpool
Commercial envelopes and carrier bags

Basildon Works, Tottenham
Commercial envelopes and labels

Croxley House, King's Cross
Commercial envelopes

Stationery and Book Division

Apsley Mills, Hemel Hempstead
Personal stationery, commercial, note and drawing books, and document wallets and files

Northern Works, Kirkby, Liverpool
Personal stationery

Basildon Works, Tottenham
Table stationery

Card and Continuous Stationery Division

Apsley Mills, Hemel Hempstead
Pasteboards, printers' cards and continuous stationery

Leighton Buzzard factory
Transparent acetate containers

Local Service Stocks

Principal business centres throughout the United Kingdom

Overseas

Southern Africa

John Dickinson & Co. (Africa) Limited, Cape Town, Johannesburg, Durban and Salisbury
Envelopes, books and personal stationery

Australia

John Dickinson & Co. (Australia) Limited, Sydney and Melbourne
Envelopes, books and personal stationery

New Zealand

John Dickinson & Co. (New Zealand) Limited, Wellington and Auckland
Envelopes, books, personal stationery, and paper and film bags for general packaging purposes

Associated Company

Canada

Globe Envelopes Limited, Toronto (21%)
Envelopes

Non-trading Subsidiary Company

U H D Trust Limited
Trustee to pension funds of the Union of the House of Dickinson

Subsidiary Companies

E S & A Robinson (Holdings) Limited

General Packaging Division

E S & A Robinson Limited, Bristol
Cartons, boxes, bags, composite containers, envelopes and colour printing

Wye Plastics Limited, Madley, Nr. Hereford
Injection moulded and extruded plugs, tubes and containers

The Robinson Waxed Paper Company Limited, Bristol
Flexible packaging, coated papers, laminates of paper, foil and plastic films

John Laird & Son Limited, Glasgow
Corrugated containers, colour printing, cartons, boxes and flexible packaging

J & J Murdoch Limited, Glasgow
Colour printing

Donaldson & Filer Limited, Glasgow
Corrugated cases and corrugated greaseproof

Havopak Limited, Glasgow
Collapsible containers for liquids, powders and granules

The Shirley and Warbey Box Company Limited, London
Cartons and rigid boxes

Strachan & Henshaw Limited, Whitehall, Bristol
Printing, paper converting and packaging machinery. Perfecting and folding machinery

Beasley French & Company Limited, Bristol
Printing, packaging and stationery machinery

Bailey and Wellman Limited, Bristol
Photo-lithographers

Bulk Packaging and Mills Division

Paper Sacks Limited, Northfleet
Multiwall paper sacks and baler bags

Kent Kraft Mills Limited, Northfleet
Kraft paper for sacks

Sack Fillers Limited, Northfleet
Sack filling equipment

William Palfrey Limited, Rochester
Multiwall paper sacks and baler bags

Fife Paper Mills Limited, Markinch, Scotland
Paper-making and multiwall paper sacks

The New Merton Board Mills Limited, London
Lined and unlined chipboards, fibreboard containers and special drums

The Ottery Waste Paper Company Limited, London (55%)
Waste paper supply for mills

Keynsham Paper Mills Limited, Nr. Bristol
Paper-making, including "Unicote"

Consumer Products Division

Adhesive Tapes Limited, Borehamwood
Self-adhesive products

Sellotape Products Limited, London
Distribution of "Sellotape" self-adhesive products

Selloprint (London) Limited, Borehamwood
Printing of self-adhesive products

Industrial Sealants Limited, Borehamwood
Compression gasketing materials

Lily Cups and Containers (England) Limited, Liverpool
Disposable drinking cups, plates and containers

Keyes Robinson Limited, London (60%)
Moulded pulp products

Redcliffe Inks Limited, Yate
Printing inks, varnishes and lacquers

Heavy Engineering and Building Division

Strachan & Henshaw Limited, Ashton, Bristol
Heavy duty mechanical handling plant, wagon marshalling equipment

Arthur Sperring Limited, Rowland Coles Limited and Roberts Brothers (Contractors) Limited, Bath and Bridgwater
Building contractors, joinery and laminated panels

Robinson Building Techniques Limited, Bristol
Materials for modern building techniques

Overseas Division

Canada

E S & A Robinson (Canada) Limited, Leaside, Ontario
Colour printing, flexible packaging, bags, laminates of paper, foil and plastic films

Sellotape Canada Limited, Leaside, Ontario
“Sellotape” self-adhesive products

Southern Africa

E S & A Robinson South Africa Holdings (Pty) Limited, Cape Town

E S & A Robinson (Pty) Limited (incorporating Roto Gravure (Pty) Limited), Cape Town and Durban
Flexible packaging, bags, waxed paper, laminates of paper, foil and plastic films and multi-colour gravure printing

Modern Packaging (Pty) Limited, Cape Town
Polythene film extrusion

S & P Plastic Moulders (Pty) Limited, Cape Town
Plastic packaging and industrial components

Paper Sacks South Africa Limited, Durban and Cape Town (45% with control of the Board of Directors)
Multiwall paper and plastic sacks, baler bags and sack filling equipment

Sellotape South Africa (Pty) Limited, Germiston
“Sellotape” self-adhesive products

E S & A Robinson (Rhodesia) (Pvt) Limited, Bulawayo
Flexible packaging, bags, waxed paper, laminates of paper, foil and plastic films and toilet tissue

Paper Holdings (Pvt) Limited, Salisbury (74.3%)
Multiwall paper sacks, baler bags and bitumenised kraft paper

Sellotape Rhodesia (Pvt) Limited, Bulawayo
“Sellotape” self-adhesive products

New Zealand

E S & A Robinson (New Zealand) Limited, Auckland
Bags, cartons, flexible packaging and multi-colour gravure printing

Europe

Rexel AG, Zurich, Switzerland (75%)
Distribution of “Sellotape” self-adhesive products

Sellotape NV, Amsterdam, Holland
Distribution of “Sellotape” self-adhesive products

Associated Companies

United Kingdom

British Visqueen Limited, Stevenage (33.3%)
Manufacture and conversion of plastic films

Mead Robinson Limited, London (50%)
Multi-unit packaging

Ireland

Hely Robinson Limited, Dublin (33.3%)
Waxed paper

Adhesive Tapes (Ireland) Limited, Dublin (49%)
Self-adhesive products

CB Paper Sacks Limited, Dublin (10%)
Multiwall paper sacks and bitumen laminated wrappers

S Bishop and Company Limited, Dublin (8.3%)
Jute Sacks

Bishop Holdings Limited, Dublin (16%)

South Africa

Holdains Limited, Durban, Germiston, Port Elizabeth
East London and Cape Town (27.5%)
Corrugated containers

New Zealand

Sellotape Products (NZ) Limited, Auckland (50%)
“Sellotape” self-adhesive products

*Note: Subsidiary companies: the Group holds 100% of the equity capital except where otherwise shown in brackets.
Associated companies: figures in brackets show Group holding.*

Salient Figures

	1966 <u>£'000</u>	1965 <u>£'000</u>	percentage change <u>%</u>
Group turnover	119,400	113,151	+5.5
of which sales to customers. . .	101,291	94,828	+6.8
 Profit before loan stock interest and taxation	13,024	12,669	+2.8
Loan stock interest.	712	—	
Taxation	4,437	4,792	
Profit after taxation	7,875	7,877	
 Ordinary dividends	5,401		
Profit retained in the Group . .	2,323		
 Fixed assets			
Depreciation	3,063	2,742	
Expenditure.	4,954	4,829	
 Capital employed	62,979	62,397	
	<u>%</u>	<u>%</u>	
Profit before loan stock interest and taxation as a percentage of			
Group turnover	10.9	11.2	
Capital employed	20.7	20.3	

Chairman's Statement

Statement by the Chairman, Mr. John W Randall, to be given at the first Annual General Meeting of The Dickinson Robinson Group Limited on 20th July 1967.

Board of Directors

The Dickinson Robinson Group Limited

Mr. H Godfrey has resigned from the Board of The Dickinson Robinson Group Limited upon retirement from executive office in E S & A Robinson (Holdings) Limited. Mr. J S Camm, a director of E S & A Robinson (Holdings) Limited, has been appointed to the Board.

E S & A Robinson (Holdings) Limited

During the year Mr. H Godfrey, Mr. E P George, Mr. I A Laird and Mr. C Rough resigned from the Board of E S & A Robinson (Holdings) Limited on retiring from the service of the Company. Mr. W H Orr, who retired in 1963 but remained on the Board in a non-executive capacity, has resigned as a director.

Each of these gentlemen has a long record of distinguished service and the Robinson Board has recorded its thanks for the notable contribution each has made in his own sphere to the success of the Robinson Group.

John Dickinson & Co. Limited

No changes have taken place in the directorate during the year.

The Merger

The year to which this report relates saw the formation of The Dickinson Robinson Group Limited—DRG—based on the principles governing the merger, as authorised by the shareholders at the respective Company meetings held on 20th June 1966, and subsequently sanctioned by the High Court of Justice. The Scheme of Arrangement became effective on 19th July 1966.

The directors of DRG remain confident that the benefits of the merger will be substantial and progressive, but as will be readily understood the establishment of a position where integrated plans for the most effective use of assets and manpower are fully operative is a major activity from which increasing benefits will accrue in ensuing years.

However, in the short time since the Companies came together we have instituted an extensive programme in connection with such matters as inter-group trading, combined purchasing of raw materials and the exchange of technical information and experience in the fields of production, marketing and administration from which encouraging initial results have been secured.

In pursuance of the merger objectives close collaboration and co-operation between the Companies is consistently and regularly pursued. Apart from daily contact in the United Kingdom, directors of Dickinson and Robinson have visited South Africa, Australia and New Zealand in recent months, and have formulated detailed plans for the integration of the manufacturing and administrative activities of the subsidiary companies trading in the countries mentioned.

The Year 1966

As will be seen from the Accounts the trading profit at £12,069,000 compares favourably with the combined Dickinson and Robinson results for the year 1965, an increase of £666,000, approximately 6%, having been achieved.

Due to a lower rate of dividend from British Visqueen Limited the amount received from trade investments is £118,000 less than for the previous year. It should be added that the trading

profits of British Visqueen Limited were slightly higher than in 1965, but an increased tax charge resulted in a smaller dividend.

Other investment income was down by £193,000 reflecting a reduction in the Group's surplus cash during the year.

The varying economic and trading conditions under which the above results were achieved are too well known to need detailed comment. In the early months of the year a strong order and demand position existed but was followed by the effects of the 'freeze' and the deflationary policy resulting from the emergency measures of 20th July 1966 considered by the Government to be essential to the recovery of national financial stability.

Within our widely spread and diversified business demand for the extensive range of products marketed by the Group varies appreciably. Broad divisions of our trade and their respective experiences in the year under review can be summarised as follows:

Paper and Board

At the mills producing fine grades of paper and paperboard, such as *Croxley Script* paper and *Nash Energy* boards, profits for the year were marginally higher than those for 1965. In the grades of paper manufactured for packaging, intensive competition became evident during the autumn when, in anticipation of the effects of the termination at the end of November of the import surcharge and the removal of the remaining EFTA tariff duties on 1st January 1967, the weak market for the grades in question was further depressed.

Manufactured Stationery—Home

In our wide range of internationally established stationery products we made excellent progress in spite of very competitive conditions. In particular the demand for *Basildon Bond*, *Queen's Velvet*, *Churston Deckle*, *Three Candlesticks* and *Lion Brand* stationery goes from strength to strength as we are determined it shall. These lines have the additional merit of providing us with large tonnage orders for our Croxley Paper Mill.

Manufactured Stationery—Overseas

In all our overseas branches activity was well maintained. Our new factory at Isando, Johannesburg, showed clearly the advantages of up-to-date machines working under excellent conditions and this is the pattern of the way in which we should develop overseas in the future.

Packaging—Home

The demand for packaging continued at a satisfactory level for the first nine months of 1966 but in the last quarter of the year the effect of the Government's deflationary policy was increasingly felt; packaging for luxury trades such as cosmetics being particularly vulnerable.

Continued growth was achieved in *Sellotape* and *Holdfast* self-adhesive products and in the sale of *Lily* disposable drinking cups and packaging containers.

Packaging—Overseas

In Canada excellent progress was made both in packaging and *Sellotape* self-adhesive products. The new ground floor factory extension at Toronto was nearly completed during the year and the economies of manufacturing on one floor should be a most useful contribution to the future.

In Southern Africa our activities were well maintained and, taking into account the difficulties experienced in Rhodesia, can be considered very satisfactory and a credit to all concerned.

In New Zealand the quality of our products was greatly improved during the year and as a result activity and profits were helpfully increased.

Engineering

The profits of the heavy engineering division of Strachan & Henshaw Limited were adversely affected by delays in completing certain large contracts. Strachan & Henshaw Limited is a member of The Nuclear Power Group Limited and the division was also affected by the delay experienced in receiving the contract awarded it for work on the Hinkley Point 'B' Nuclear Power Station. The contract, which but for the 'squeeze' would have been received in July 1966, was not placed until February 1967.

In the Strachan & Henshaw light engineering division, which specialises in printing, paper converting and packaging machinery, the profits were lower than last year, mainly due to the expense and temporary loss of production arising from the essential transfer to new premises designed to give scope for immediate extension of operations and space for future development.

The Dickinson engineering construction division continues to concentrate exclusively on new and improved types of productive machinery for the stationery manufacturing departments, playing a vital part in the high rate of progress and profitability associated with this division of DRG.

Exports

Our total export shipments from the United Kingdom exceeded £6,000,000, a record figure and substantially higher than the corresponding result in 1965. This is a highly creditable performance under prevailing circumstances.

Summary

The aggregate lower profits earned in our mills and in our engineering division were very much more than off-set by the excellent results produced by the stationery and packaging divisions.

In stationery I am glad to report an increase of 10% in our profits which were an all time record.

Profits from packaging increased by 13½% in spite of the fact that trading in the United Kingdom was affected by the Government's deflationary policy during the last three months. This achievement can be considered very satisfactory in what was not an easy year.

New Projects

During the year we purchased the whole of the issued share capital of **Beasley French & Company Limited**, a Bristol based engineering company specialising in the design and manufacture of high speed machinery for the printing, packaging and stationery industries.

Sellotape Products (NZ) Limited, owned 50% by Allen Industries Limited and 50% by E S & A Robinson (New Zealand) Limited, has commenced to produce *Sellotape* self-adhesive tape. With an expanding range of self-adhesive products this new company will prove a useful investment to the Group.

Adhesive Tapes Limited has formed **Sellotape NV**, a wholly owned subsidiary, to distribute *Sellotape* self-adhesive products in Holland and has also acquired a 75% interest in **Rexel AG** which distributes these products in Switzerland.

Fraser Robinson Limited

As was announced last year, plans for a joint venture with the Fraser Companies Limited to manufacture pulp, paper and liner board in Canada continued during the year in spite of a number of delays. The terms on which money could be raised in the USA and Canada have so far proved to be quite unacceptable and were much harsher than expected at the end of 1965. The whole project remains under review.

Further Developments in Plastics

As has already been announced in the press, agreement in principle has been reached between Imperial Chemical Industries Limited and E S & A Robinson (Holdings) Limited for the further extension of their existing joint interests in the field of plastics for packaging under which ICI will acquire a 25% interest in The Robinson Waxed Paper Company Limited for £2,400,000 in cash. The purchase price will be receivable in three equal instalments, the first of which will become payable on completion of the legal formalities which are in an advanced stage. The second payment will be made on 1st September 1967 and the final payment on 1st September 1968.

British Visqueen Limited has acquired the whole of the business of Robinson Plastic Films Limited which was previously owned as to 51% by Robinson and 49% by ICI. Robinson will continue to hold 33⅓% of the equity of British Visqueen Limited, a subsidiary of ICI.

Lily Cups and Containers (England) Limited, Liverpool, has extended its range by the introduction of both thermo-formed cups and injection moulded containers, while in Bristol E S & A Robinson Limited has commenced the manufacture of a wide range of tubular rigid plastic containers manufactured by a process for which a licence has been obtained from a French company which has specialised successfully in this field.

In South Africa we have acquired the whole of the issued capital of **S & P Plastic Moulders (Pty) Limited** of Cape Town. This company manufactures a wide range of high quality plastic packaging and industrial components using compression, injection, extrusion and blow-moulding processes.

Finance and Dividend Policy

As indicated in the explanatory statement issued in connection with the merger proposal, the consolidated profit and loss account of DRG for the year to 31st December 1966 incorporates the trading results of the Dickinson and Robinson companies as from 1st January 1966.

However, the transfer of pre-acquisition profits of the operating companies to the parent DRG company is effectively prevented by Section 65 of the Finance Act, 1965, a section designed to prevent a practice known as 'dividend stripping'. Unfortunately the section is so drawn that it goes far beyond the original intention and interferes with the legitimate and orderly arrangement of group finance.

In these circumstances we have been advised to restrict the amount of profit transferred from the operating companies to DRG in respect of 1966 to the sum required to finance the dividends and loan interest related to 1966. It is to be hoped that the present unsatisfactory legal position will be amended at an early date.

Future Outlook

It is apparent that 1967 will be a challenging year and that a testing time confronts us. Future prospects cannot, at this stage, be dissociated from Government policy.

It would, therefore, be misleading and unwise in the present economic climate to try to forecast profits for the current year, but the spirit and determination of the Group is such that we are certain whatever lies ahead we shall give a good account of ourselves.

Managers, Staff and Craft Workers

This review would be incomplete without the Board's appreciation and thanks to all ranks of the 26,000 employees who are now joined together under the DRG symbol.

In a merger of such magnitude the initial problems and difficulties have been surprisingly few. The whole atmosphere is one of unity of purpose actuated by the common ideal of establishing DRG as the outstanding organisation in the paper, manufactured stationery and packaging world. We are grateful for the efforts and support of all who are associated with us in this great and stimulating venture.

Directors' Report

The directors present their first annual report to the shareholders, together with the audited accounts for the year ended 31st December 1966.

The Company was incorporated on 4th May 1966 and acquired its subsidiaries under the terms of a Scheme of Arrangement under Section 206 of the Companies Act, 1948 on 19th July 1966. The results of the Group are, however, consolidated from the commencement of the subsidiaries' financial years on 1st January 1966.

An interim dividend of 10% less income tax was paid on 31st December 1966, and a second interim dividend of 16½% less income tax is payable on 9th June 1967. The directors do not recommend the payment of any further dividend for the year.

	£'000
After taxation the balance of the profit for the year amounted to.	7,724
which has been dealt with as follows:	
In payment of ordinary dividends	5,401
By additions to revenue reserves in the subsidiaries . .	2,323
	<u>7,724</u>

Since 19th July 1966, E S & A Robinson (Holdings) Limited has acquired the whole of the issued share capital of Beasley French & Company Limited, specialists in the manufacture of high speed machinery for the printing, packaging and stationery industries. Adhesive Tapes Limited (a wholly owned subsidiary) has acquired 75% of the issued share capital of Rexel AG of Switzerland and has registered a wholly owned subsidiary, Sellotape NV, in Holland to act as its distributors in these countries.

A new company, Sellotape Products (NZ) Limited, has recently been formed at Auckland, to manufacture and distribute *Sellotape* self-adhesive products. The share capital of this company is owned equally by E S & A Robinson (New Zealand) Limited (a wholly owned subsidiary) and Allen Industries Limited of New Zealand.

Since the end of the year E S & A Robinson South Africa Holdings (Pty) Limited (a wholly owned subsidiary) has acquired the whole of the issued share capital of S & P Plastic Moulders (Pty) Limited of Cape Town, manufacturers of plastic packaging and industrial components.

Mr. H Godfrey has resigned as a director of the Company, consequent upon his retirement from E S & A Robinson (Holdings) Limited, after 50 years' service.

Mr. N J C Barton and Mr. J S Camm, directors of the Company, retire from office in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election.

So far as the directors are aware, the close company provisions of the Finance Act, 1965 do not apply to the Company.

Price Waterhouse & Co. and Gane, Jackson, Nelson & Freeman, the Company's joint auditors, will continue in office in accordance with Section 159 of the Companies Act, 1948.

By order of the Board
R P Thwaites
 Secretary
 1 Redcliffe Street, Bristol 1
 7th June 1967

Consolidated Profit and Loss Account

for the year ended 31st December 1966

(The Dickinson Robinson Group Limited was incorporated on 4th May 1966 and acquired its subsidiaries on 19th July 1966. The results of the Group are consolidated from the commencement of the subsidiaries' financial years on 1st January 1966 with comparative figures for 1965 on a similar basis.)

	1966		1965	
	£'000	£'000	£'000	£'000
Group Turnover				
including materials made for use within the Group		<u>119,400</u>		<u>113,151</u>
Sales to Customers (note 1)		<u>101,291</u>		<u>94,828</u>
Trading Profit (note 2)		12,069		11,403
Earned from Paper making and conversion				
United Kingdom		9,556		9,047
Overseas		<u>2,019</u>		<u>1,695</u>
		11,575		10,742
Engineering and building				
United Kingdom		494		661
		<u>12,069</u>		<u>11,403</u>
Dividends from trade investments		216		334
Investment income (note 3)		<u>739</u>		<u>932</u>
		13,024		12,669
Interest paid on 7 $\frac{3}{4}$ % unsecured loan stock (from 19th July 1966)		<u>712</u>		—
Profit before Taxation		12,312		12,669
Taxation (note 4).		<u>4,437</u>		<u>4,792</u>
Profit after Taxation		7,875		7,877
Interests of outside shareholders of subsidiaries		<u>151</u>		<u>188</u>
Consolidated Net Profit.		7,724		<u>7,689</u>
Dealt with in accounts of				
Holding company.		5,401		
Subsidiaries.		<u>2,323</u>		
		<u>7,724</u>		
Ordinary Dividends (note 5)		<u>5,401</u>		
Retained Profits added to revenue reserves		<u>2,323</u>		

Notes on the Profit and Loss Account

	1966		1965	
	£'000	£'000	£'000	£'000
1. Sales to Customers				
In the United Kingdom		74,967		70,185
Overseas from the United Kingdom		6,172		5,791
By subsidiaries operating overseas		20,152		18,852
		<u>101,291</u>		<u>94,828</u>
	%		%	
The geographical analysis of sales by subsidiaries operating overseas is				
Southern Africa	42		46	
Canada	38		35	
Australia and New Zealand	19		19	
Other countries	1		—	
	<u>100</u>		<u>100</u>	
	£'000		£'000	
2. Trading Profit—after charging				
Depreciation				
Land and buildings	494		458	
Plant and machinery	<u>2,569</u>		<u>2,284</u>	
	3,063		2,742	
Emoluments of directors				
Management remuneration including amounts to provide pensions	171		168	
Auditors' fees and expenses	48		45	
3. Investment Income				
Includes profits on realisation of investments	61		158	
4. Taxation				
United Kingdom				
Corporation tax at 40%	4,228		4,246	
Income tax	27		250	
Profits tax	6		145	
	<u>4,261</u>		<u>4,641</u>	
Deduct—benefit from investment allowances	189		379	
—overprovision in previous years	<u>276</u>		<u>102</u>	
	465		481	
	3,796		4,160	
Overseas	641		632	
	<u>4,437</u>		<u>4,792</u>	
The above charge is based on the profit of the year and is after transferring to taxation equalisation reserve the taxation deferred by capital allowances of the year	227		189	
5. Ordinary Dividends				
Interim 10% paid 31st December 1966	2,038			
Second interim 16½% payable 9th June 1967	3,363			
	<u>5,401</u>			

Consolidated Balance Sheet

as at 31st December 1966

(The Dickinson Robinson Group Limited acquired its subsidiaries on 19th July 1966. For comparative purposes the accounts of subsidiaries have been consolidated at 31st December 1965 as if their share capital had been acquired on that date.)

	1966		1965	
	£'000	£'000	£'000	£'000
Capital Employed				
Share Capital and Reserves		41,384		38,777
Share capital of the holding company		20,383		20,383
Reserves (note 1)				
Revenue		18,739		16,093
Exchange difference		62		72
Taxation equalisation		2,200		2,229
		<u>41,384</u>		<u>38,777</u>
Loan Capital				
7 $\frac{3}{4}$ % unsecured loan stock 1986/91.		20,210		20,210
Outside Shareholders' Interests		1,385		3,410
		<u>62,979</u>		<u>62,397</u>
Employment of Capital				
Fixed Assets (note 2).		32,524		30,723
Trade Investments (note 3).		3,813		3,304
Current Assets				
Stock (note 4).		18,610		16,862
Debtors (note 5)		19,705		18,217
Selective employment tax refunds, investment and development grants		940		—
Investments (note 6)		9,763		13,993
Cash and bank balances		2,047		1,284
		<u>51,065</u>		<u>50,356</u>
Current Liabilities and Provisions				
Creditors.		11,522		8,912
Provisions (notes 4 and 7)		2,499		2,513
Bank loans (note 8)		149		19
Workpeople's deposits		708		690
Taxation				
Corporation tax—payable 1st January 1967		1,663		—
—payable 1st January 1968 and later		3,630		3,760
Other taxation		889		2,529
Second interim dividend		3,363		3,563
		<u>24,423</u>		<u>21,986</u>
Net Current Assets		26,642		28,370
		<u>62,979</u>		<u>62,397</u>

J W Randall }
J F Robinson } Directors

Balance Sheet
as at 31st December 1966

(incorporated on 4th May 1966)

	1966	
	£'000	£'000
Capital Employed		
Share Capital		
Ordinary shares of 5/- each		
Authorised	25,000	
Issued and fully paid.		20,383
Loan Capital		
7 $\frac{3}{4}$ % unsecured loan stock 1986/91	20,210	
	<u>40,593</u>	
 Employment of Capital		
Investments in Subsidiaries.		44,262
Shares (note 9)	42,491	
Dividends receivable	3,363	
Current account—owing by subsidiary	256	
	<u>46,110</u>	
Deduct—current accounts—owing to subsidiaries	1,848	
	<u>44,262</u>	
 <i>Deduct</i>		
Current Liabilities.		3,669
Creditors	306	
Second interim dividend	3,363	
	<u>3,669</u>	
		<u>40,593</u>

J W Randall }
J F Robinson } Directors

The notes on the balance sheets are on pages 16 to 18.

Notes on the Balance Sheets

	Group	
	£'000	£'000
1. Movements in Reserves		
Revenue Reserves		
The capital reserves and part of the revenue reserves of the subsidiaries at 1st January 1966 have been set against the excess of the cost of acquisition of subsidiaries over the nominal value of their shares.		
Balance of revenue reserves of subsidiaries at 1st January 1966 attributable to The Dickinson Robinson Group Limited		16,093
Deduct—formation and preliminary expenses	257	
—cost of investigating new projects	64	
—excess of cost of shares of subsidiaries acquired during the year over the book value of their net assets at date of acquisition	214	
		<u>535</u>
		15,558
Add—retained profits for the year	2,323	
—transfer from taxation equalisation reserves	258	
—transfer from provisions (note 7)	600	
		<u>3,181</u>
At 31st December 1966		<u>18,739</u>
Note: Under Section 65, Finance Act, 1965, a liability to income tax and capital gains tax might arise if the revenue reserves of subsidiaries were distributed to the holding company		
Taxation Equalisation Reserves		
Reserves of subsidiaries at 1st January 1966		2,229
Deduct—transfer to revenue reserves in respect of previous years . .		258
		<u>1,971</u>
Add—transfer from profit and loss account for the year		227
—for subsidiaries acquired during the year.		5
		<u>2,203</u>
Deduct—interests of outside shareholders of subsidiaries		3
At 31st December 1966		<u>2,200</u>

	Group		
	land and buildings £'000	plant and machinery £'000	total £'000
2. Fixed Assets			
Capital Expenditure			
Cost at 1st January 1966.	17,708	37,697	55,405
Add—for subsidiaries acquired during the year	118	244	362
—expenditure during the year (after deducting investment and development grants £606,000)	1,624	3,330	4,954
	19,450	41,271	60,721
Deduct—items sold or scrapped during the year	42	1,019	1,061
At 31st December 1966	19,408	40,252	59,660
Aggregate Depreciation Written Off			
At 1st January 1966.	5,275	19,407	24,682
Add—for subsidiaries acquired during the year	23	161	184
—transfer from provisions (note 7)	—	137	137
	5,298	19,705	25,003
Deduct—for items sold or scrapped during the year	28	902	930
	5,270	18,803	24,073
Depreciation written off for the year	494	2,569	3,063
At 31st December 1966	5,764	21,372	27,136
Net Book Value at 31st December 1966.	13,644	18,880	32,524

	1966			1965
	market value £'000	cost £'000	dividends received £'000	dividends received £'000
3. Trade Investments				
Quoted on Stock Exchanges				
Johannesburg	847	942	48	54
Paris	139	24	4	4
Toronto	446	87	13	12
	1,432	1,053	65	70
Unquoted		2,760	151	264
		3,813	216	334

4. Stock

Stocks have been valued on the following bases

Raw materials at the lower of delivered cost and either replacement cost or net realisable value.

Finished goods and work in progress at the lower of factory cost and net realisable value.

Stocks of a subsidiary have been valued on different bases from those previously adopted. The surplus of £787,000 arising on revaluation has been added to provisions.

	1966	1965
	<u>£'000</u>	<u>£'000</u>
5. Debtors		
Include loans to trustees under a scheme by which directors and employees of E S & A Robinson (Holdings) Limited and its subsidiaries subscribed for fully paid shares in the company .	<u>60</u>	<u>71</u>
6. Investments		
Tax reserve certificates	2,000	2,000
British government securities (market value £4,433,000)	4,373	5,302
Other quoted investments (market value £146,000).	186	—
Local authority mortgage loans	—	1,000
Treasury bills	—	197
Short term deposits	<u>3,204</u>	<u>5,494</u>
	<u>9,763</u>	<u>13,993</u>
7. Provisions		
Miscellaneous provisions of £537,000 and provisions for doubtful debts of £200,000 no longer required have been dealt with as follows		
Transfer to revenue reserves (note 1)	600	
Added to accumulated depreciation of fixed assets (note 2) . . .	<u>137</u>	
	<u>737</u>	
8. Bank Loans		
Include £134,000 repayable in 1969		
9. Investments in Subsidiaries—Shares		
The cost of shares in subsidiaries comprises		
Nominal value of shares and loan stock of the company issued in exchange for the ordinary shares in subsidiaries		
Share capital.	20,383	
Loan stock	20,210	
Cash consideration for preference shares in E S & A Robinson (Holdings) Limited	<u>1,898</u>	
	<u>42,491</u>	
10. Commitments and Contingent Liabilities		
Outstanding expenditure authorised by the directors		
Holding company—purchase of preference shares of a subsidiary	45	—
Subsidiaries—capital expenditure on plant and buildings. . . .	<u>5,265</u>	<u>6,234</u>
Group	<u>5,310</u>	<u>6,234</u>
There are contingent liabilities of subsidiary companies		
a Under guarantees given for the performance of contracts by an associated company		
b In respect of a bank overdraft of that associated company		
c Of £850,000 in respect of uncalled loan capital of an associated company		
d To maintain the solvency of the Union of the House of Dickinson staff and craft workers' pensions funds		
e To meet the cost of the past service element of pensions provided by the pension fund for male employees of E S & A Robinson (Holdings) Limited and its subsidiaries by the payment of ten annual instalments of which there are four instalments of £47,000 each still to be paid.		
11. Overseas Currencies		
Overseas currencies have been converted into sterling on the following bases		
Assets and liabilities—rates ruling at the balance sheet date		
Profits and losses—average rate for the year.		

Auditors' Report

To the members of The Dickinson Robinson Group Limited

In our opinion the accounts and notes set out on pages 12 to 18 give, so far as concerns members of the company, a true and fair view of the state of affairs as at 31st December 1966 and the profit for the period ended on that date of the company and of the group consisting of the company and its subsidiaries.

We have obtained all the information and explanations which we considered necessary. In our opinion the company has kept proper books, and the balance sheet of the company, which is in agreement with them and with the said information and explanations, gives with the consolidated accounts in the prescribed manner the information required by the Companies Act, 1948.

Price Waterhouse & Co.
Bristol

Gane, Jackson, Nelson & Freeman
London

7th June 1967

Financial Record

(Including consolidated results of subsidiaries which were acquired on 19th July 1966)

	<div>1962</div> <div>£'000</div>	<div>1963</div> <div>£'000</div>	<div>1964</div> <div>£'000</div>	<div>1965</div> <div>£'000</div>	<div>1966</div> <div>£'000</div>
Turnover					
Group turnover	91,102	97,735	106,356	113,151	119,400
Sales to customers	76,181	81,122	88,424	94,828	101,291
Profit before charging depreciation and loan stock interest	12,173	13,135	14,117	15,411	16,087
Loan stock interest	—	—	—	—	712
Profit before taxation	9,995	10,763	11,568	12,669	12,312
Taxation.	4,821	5,193	5,793	4,792	4,437
Profit after taxation	5,174	5,570	5,775	7,877	7,875
Fixed assets					
Depreciation	2,178	2,372	2,549	2,742	3,063
Expenditure	5,266	3,757	3,987	4,829	4,954
Capital employed	52,883	56,459	59,248	62,397	62,979



This is the Dickinson Robinson Group symbol, which is being used wherever possible to help establish and maintain the identity of the Group, its member companies and their products. For example, subsidiary companies use the logotype a (DRG) company on their stationery, transport, notice boards and promotional media, where practicable.

In order to acquaint you more fully with the main products, activities and services of the Dickinson Robinson Group, a pictorial colour supplement now follows, which we hope you will find of interest.

Stationery Products



Basildon Bond

Most famous of all Britain's writing papers, Basildon Bond today enjoys world wide popularity and is manufactured in many sizes and forms, ranging from writing pads and envelopes to luxurious gift cabinets.

Queen's Velvet

Produced specially for people who prefer an extra smooth writing paper—Queen's Velvet is a twin-ply paper made by a special process to give the same velvet smooth surface both sides.



Lion Brand

An extensive range of paper products embracing a diversity of nearly one hundred different items of general stationery and domestic paperware.



Stationery Products



Three Candlesticks

A writing paper of exceptional quality acclaimed by handwriting experts throughout the world for its perfect writing surface.



Churston Deckle

A range of fine quality personal stationery which caters for a large section of the letter-writing public whose preference is for traditional deckle-edged paper combined with tissue-lined envelopes.



Brieflets

Brieflets are one of today's most popular and colourful forms of personal stationery and are perfect for short notes. There is a wide range of enchanting designs to please all tastes.

Stationery Products

Seal-Easi Envelopes

Envelopes that seal without moisture—just press the flaps together and they seal themselves. Time saving and secure, Seal-Easi envelopes are used extensively in business and for personal correspondence.



Giant Manilla Envelopes

Strong, robust manilla envelopes in sizes to meet every conceivable business need. Giant Manilla envelopes are sold all over the world.



Lily Cups and Plates

Paper cups for hot or cold drinks in picnic and party packs. Beer cups and food containers. Paper plates for hot or cold meals.



Hostess Paper Tableware

Hostess napkins, coasters and doyleys are produced in an extensive range of beautiful contemporary and traditional designs, and grace tables in millions of homes in Britain and abroad.



Stationery Products



"Sellotape" Products

Clear Tape for parcels, Invisible Tape for document repairs, Christmas Tapes, Brilliant Tapes for the fashion conscious, Masking, Insulating, Chrome and Double-sided Tapes for the handyman. "Sellotape 'X'" for countless jobs in the home. Part of the wide range of domestic tapes available from Sellotape Products Limited.

Gaiety

Christmas Gift Seals and Labels are produced in an immense range of colourful and seasonal designs.



Challenge

Account books and duplicate books form just a part of over one thousand different types of book and office equipment produced for both commercial and personal use.



Croxley Script—Paper for Business

Croxley Script—a fine quality paper in a wide range of colours with matching envelopes in many sizes; also white and tinted Croxley Duplicator Paper.

Packaging Products

Bulk packaging, used for the transport and storage of large quantities of goods packed loose or pre-packed in smaller containers, is produced within the Group.

Solid Fibreboard Containers and Drums

Solid fibreboard is manufactured and converted into containers and drums by The New Merton Board Mills Limited. One of the most outstanding achievements in this field since the war has been the development, by New Merton, of a non-returnable "Pachyderm" wet fish box to replace the conventional wooden box used to transport ice-packed fish from the docks to wholesale and retail outlets.



Corrugated Cases

Corrugated cases are the speciality of John Laird & Son Limited, who manufacture and convert corrugated fibreboard in Glasgow, using their printing skills to produce attractive bulk containers, mainly for the whisky industry. On the right of the picture are two "Havopak" collapsible containers, made from corrugated or solid fibreboard outers with flexible plastic inner to form packs suitable for holding liquids, powders and granules.



Paper Sacks, Baler Bags and Refuse Sacks

Multiwall paper sacks, used for such products as animal feeds, chemicals, fertilisers, textiles, cement, coal and potatoes, and baler bags (to contain a number of small units pre-packed in cartons, bags or bottles) are manufactured by the Group in Kent, Fife and overseas in Southern Africa.

So too are paper refuse sacks, which are gradually replacing the metal household dustbin in many areas, in addition to their increasing use by industry. Group engineering companies fabricate sack filling equipment and refuse sack holders.



As a vertically integrated organisation, the Group manufactures much of its own packaging raw materials, including paper, board, inks and varnishes. In this way it is able to control the quality of its final products and so offer a first class and reliable service to its customers.





Engineering

There are three major engineering companies in the Group, all with excellent export records.

Strachan and Henshaw Limited of Ashton, Bristol makes a remarkable contribution to the nuclear power and other major industries throughout the world. The company designs and manufactures heavy duty mechanical handling plant and wagon marshalling equipment. The illustration on the left is of one of the four refuelling machines at Dungeness 'A' Nuclear Power Station, Kent, built for the Central Electricity Generating Board.

Strachan and Henshaw Limited of Whitehall, Bristol designs

and manufactures printing, converting and packaging machinery, with book printing equipment, mainly for the North American market, ranking high in its list of activities. The top illustration on the right shows a paperback book and press folder, while the centre one is of a "Kliklok" packaging machine, both manufactured by the company.

Beasley French and Company Limited specialises in the manufacture of high speed machinery for the printing, packaging and stationery industries. The illustration, bottom right, is of one of the company's bag making machines.



